

Steve Westly *California State Controller*



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FOR IMMEDIATE RELEASE

COURT RULING MEANS CHANGE AT CalPERS & CalSTRS PENSION FUNDS

Sacramento, April 29, 2003 – State Controller Steve Westly today said a court ruling in the case of *Westly vs. CalPERS* clears the way for structural improvements at both CalPERS and CalSTRS, the first and third largest public pension funds in the country.

“Protecting the pensions of more than 1 million retirees is my top priority,” Westly said. “The court has denied past illegal practices, which now will drive us towards organizational and legislative changes to ensure that we have the best staffing and rates of return possible for our retirees.”

The State Controller’s Office lawsuit charged that CalPERS was violating State law with certain payroll and compensation policies and by exempting staff from civil service.

“CalPERS must be run in an efficient, cost effective manner, and we must achieve the highest possible returns for our members,” Westly said. “However, the boards have to operate within California state law, and the courts agree.”

Controller Westly, who is a board member of CalPERS and CalSTRS, said he will push for structural and legislative changes that provide the best fund management staffing, while ensuring that the boards are accountable for adhering to existing state law and civil service requirements.

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